

House File 359 - Introduced

HOUSE FILE 359

BY MOMMSEN

A BILL FOR

- 1 An Act requiring the governing body of a county or city to
- 2 approve certain gifts and purchases of real property by
- 3 entities of the county or city.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 174.15, subsection 2, Code 2017, is
2 amended to read as follows:

3 2. Notwithstanding section 364.7, subsection 3 1, paragraph
4 "c", a city may dispose of real property by gift to a fair.

5 Sec. 2. Section 331.301, Code 2017, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 17. *a.* The board of supervisors shall by
8 resolution independently do the following:

9 (1) Approve the acceptance of a gift of real property before
10 a county entity, supported by direct appropriations by the
11 board of supervisors, may accept such a gift.

12 (2) Approve a contract for the purchase of real property
13 before a county entity may enter into a contract for the
14 purchase of the real property, if the contract price for the
15 real property is less than fifty percent of the fair market
16 value for the real property.

17 *b.* Notwithstanding paragraph *"a"*, a county entity may accept
18 real property offered as a gift or enter into a contract for
19 the purchase of real property if the gift or contract also
20 includes a gift of money in an amount that is equal to at least
21 fifty percent of the fair market value of the real property.
22 Moneys accepted to satisfy the requirements of this paragraph
23 shall be placed in trust by the board of supervisors, and the
24 interest on the moneys placed in trust shall be allocated to
25 the county entity for the continued maintenance of the real
26 property.

27 *c.* For the purposes of this subsection, *"county entity"*
28 means a board, commission, agency, division, or other entity
29 of the county supported by direct appropriations by the board
30 of supervisors.

31 Sec. 3. Section 364.7, Code 2017, is amended to read as
32 follows:

33 **364.7 Disposal and acceptance of real property.**

34 1. A city ~~may~~ shall not dispose of an interest in real
35 property by sale, lease for a term of more than three years, or

1 gift, except in accordance with the following procedure:

2 ~~1.~~ a. The council shall set forth its proposal in a
3 resolution and shall publish notice as provided in section
4 362.3, of the resolution and of a date, time and place of a
5 public hearing on the proposal.

6 ~~2.~~ b. After the public hearing, the council may make a
7 final determination on the proposal by resolution.

8 ~~3.~~ c. A city ~~may~~ shall not dispose of real property by gift
9 except to a governmental body for a public purpose.

10 2. a. The city council shall by resolution independently
11 do the following:

12 (1) Approve the acceptance of a gift of real property before
13 a city entity, may accept such a gift.

14 (2) Approve a contract for the purchase of real property
15 before a city entity may enter into a contract for the purchase
16 of the real property, if the contract price for the real
17 property is less than fifty percent of the fair market value
18 for the real property.

19 b. Notwithstanding paragraph "a", a city entity may accept
20 real property offered as a gift or enter into a contract for
21 the purchase of real property if the gift or contract also
22 includes a gift of money in an amount that is equal to at least
23 fifty percent of the fair market value of the real property.
24 Moneys accepted to satisfy the requirements of this paragraph
25 shall be placed in trust by the city council, and the interest
26 on the moneys placed in trust shall be allocated to the city
27 entity for the continued maintenance of the real property.

28 c. For the purposes of this subsection, "city entity" means
29 a board, commission, agency, division, or other entity of the
30 city supported by direct appropriations by the city council.

31 EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill relates to gifts of real property offered to, and
35 contracts for the purchase of real property entered into by,

1 county and city entities.

2 The bill requires the governing body of a county (board of
3 supervisors) or city (city council) to approve the acceptance
4 of gifts of real property by resolution before acceptance of
5 such a gift by an entity of the county or city. The bill also
6 requires such approval before a county or city entity may
7 enter into a contract for the purchase of real property, if the
8 contract price for the real property is less than 50 percent of
9 the fair market value for that property.

10 The bill provides that a county or city entity may accept
11 gifts of real property or purchase real property if the gift
12 or contract also includes a gift of money equal to at least 50
13 percent of the fair market value of the real property. The
14 bill requires that any such gift of money be placed in trust by
15 the appropriate governing body and requires that the interest
16 on the funds placed in trust be allocated to the county or city
17 entity for the continued maintenance of the real property.